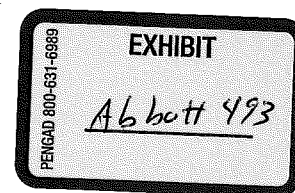


EXHIBIT 161



On AMP issue, feds and pharmacists are wide apart

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It's like a case of he said, she said, with the government seeing things one way and pharmacists viewing them in an entirely different light. At issue is the average manufacturer price final rule, which establishes Medicaid reimbursement for generics for pharmacies. The stark differences between the two groups were sharply delineated in presentations given at the National Association of Chain Drug Stores' pharmacy and technology conference, held in Boston last month.

While pharmacists feel the Centers for Medicare & Medicaid Services has been dilatory in issuing its AMP final rule, Deirdre Duzor of CMS told attendees the rule has been promulgated in "lightning speed" (17 months). That's "darn good," she claimed.

Blasting the AMP rule, Steven Anderson, NACDS president and CEO, charged that it is not only "far removed from actual costs," but also the government "intends to publish this flawed information on the Internet, which could mislead the healthcare system and consumers about the prices of their necessary prescriptions. And that's good policy?"

In contrast, Duzor said the AMP rule would allow Medicaid to pay more appropriately for drugs, since the agency has been overpaying for these products using former sources of pricing that overstated costs. Duzor acknowledged that CMS is concerned about whether AMP will hurt patient access to care, but she believes things will work out for pharmacies as long as the states figure out how to make it work.



Paul Jeffrey (l.) said there's no way he can raise Massachusetts' Medicaid dispensing fee to the level recommended by an NACDS dispensing fee survey. Still, NACDS' Steven Anderson (r.) recognized the Community Pharmacy Foundation, which funded the survey, with an award to Phil Burgess, the foundation's president, at the association's show in Boston.

But attendees at the show didn't get much in the way of assurance from officials at the state level. Referring to a recent NACDS study that called for dispensing fees to go up to \$10 per Rx, Paul Jeffrey, pharmacy director at Massachusetts Medicaid, or MassHealth, said there's no way he can increase his state's fee for dispensing from \$3 to \$10. "It ain't gonna happen," he declared flatly. Not a year goes by when he isn't under pressure to cut his budget, never to increase it, he explained.

Jeffrey told the audience the impact of AMP is still unclear. Adding to the confusion is Publix's recent offer to provide generic antibiotics free of charge, which has prompted questions from his senior management. He added that his colleagues are all taking a wait-and-see attitude about how things will shake out.

Meanwhile, NACDS gave out an award at the show to the Community Pharmacy Foundation for underwriting the dispensing fee study. The association said there hasn't been a dispensing fee study covering more than 23,000 community pharmacies in all 50 states in 14 years. Accepting the award was Phil Burgess, foundation president and national director of pharmacy affairs at Walgreens. Burgess told *Drug Topics* he's surprised the foundation hasn't received more applications for its funds for research and development in the interest of community pharmacy. The foundation has resources for the asking, he said, and R.Ph.s should take advantage of them.